

INSTRUCTIONS FOR COMPLETION OF APPLICATION FOR LICENSE TO SOLICIT DONATIONS

GENERAL INFORMATION

INITIAL APPLICATION

As part of the initial application for a solicitation license, organizations must complete an Initial Charitable Trust/Charitable Solicitation Questionnaire. After reviewing the Questionnaire, we will determine whether your organization must obtain a solicitation license.

In completing the application, if you are a newly created organization in your first fiscal period, or if you have just completed your first fiscal period and financial information is not yet available, write "new" in the date heading of Part I. Leave the rest of Part I blank. Do not enter estimated or budgeted amounts. However, new organizations who have completed a fiscal period, but have not had any financial activity, should complete the date heading and enter zeros in the rest of Part I.

New organizations that meet the above criteria and are not providing an IRS Form 990 or 990-EZ must include a current listing of the board of directors with the application.

RENEWAL APPLICATIONS AND EXTENSIONS

Your solicitation license will expire approximately 6 months after the close of your fiscal year. Renewal applications are due 30 days before the expiration of your solicitation license. If you need an extension of time to file your renewal application, you must request it in writing before your license expires. Specify the reason for the extension request.

USE OF FILE NUMBER

All organizations will be assigned a file number that must be used on all correspondence with this office. New organizations will be assigned a temporary file number beginning with the letter "T". Upon issuance of the initial solicitation license, a permanent number beginning with "CS" will be assigned.

FEES

There is currently no fee for the solicitation license.

IRS RETURN REQUIRED

You must provide a copy of your Internal Revenue Service 990, 990-EZ, or 990-PF (with the exception of newly created organizations as noted above). All applicable schedules and attachments required by the IRS form or instructions must also be filed. The form must be prepared in accordance with IRS instructions. If you do not follow the IRS instructions, we may question the report even if the IRS does not.

Even if you are not required to file either Form 990, 990-EZ, or 990-PF with the IRS, you still must complete Form 990 or 990-EZ for submission with your application. Consult the IRS instructions to determine if you are eligible to use Form 990-EZ. When completing the 990 or 990-EZ, complete all parts, lines, and columns of the form. IRS Schedule A is not required if your gross receipts are normally less than \$25,000.

If you need a blank form 990-EZ and/or instructions, call the IRS form line at 1-800-829-3676, contact the Charitable Trust Section at (517) 373-1152 or visit the IRS website at: www.irs.gov.

REPORTING STANDARDS

In addition to the IRS instructions, the following publications should be followed when preparing your financial statements:

- *Statement of Financial Accounting Standards No. 116, Accounting for Contributions Received and Contributions Made*, Financial Accounting Standards Board
- *Statement of Financial Accounting Standards No. 117 Financial Statement of Not-for-Profit Organizations*, Financial Accounting Standards Board
- *AICPA Audit and Accounting Guide, Not-for-Profit Organizations*, American Institute of Certified Public Accountants
- *Standards of Accounting and Financial Reporting for Voluntary Health and Welfare Organizations*, National Health Council, National Assembly of National Voluntary Health and Social Welfare Organizations, United Way of America
- *Accounting and Financial Reporting – A Guide for United Ways and Not-for-Profit Human Service Organizations*, United Way Institute, United Way of America

ASSUMED NAMES

If you use any name other than your official name, provide a copy of the Certificate of Assumed Name, unless previously submitted, which has been filed with the appropriate governmental agency.

MICHIGAN CHAPTERS

If we have determined that the Michigan chapters may be included in the solicitation license of the parent, then the Financial Summary, Part I, should be completed with regard to the parent licensee only, with the financial information based on the IRS return of the parent organization. Also attach a list of the names and addresses of each Michigan chapter to be included, a financial summary for each chapter (or IRS 990 if the chapter filed its own return), and a copy of the organization's group IRS return.

SPECIFIC INSTRUCTIONS

PART I - FINANCIAL SUMMARY

Part I must be fully completed using figures from your IRS 990, 990-EZ, or 990-PF. For your convenience, each line in parentheses lists first the corresponding line on the IRS 990 and then the corresponding line on the 990-EZ. Note that not every line on Part I will correspond directly with IRS forms 990-EZ and 990-PF.

Do not change line labels nor add different functional categories. Add the amount for any functional categories other than those listed on the application to the functional category most closely appropriate. For example, if your financial statements include the functional category "Membership Development", include those costs within fund raising on the application.

Revenue

If you file 990-EZ or 990-PF, line 1 of your IRS return must be broken down into its components and entered on lines 1, 2, and 3 of Part I.

Line 1 - Direct public support - Enter the total contributions, gifts, grants, and bequests received directly from the public. Include amounts received from individuals, trusts, corporations, estates, and foundations.

Line 1a - Restricted grants from foundations - This amount is entered for notation only. Do not deduct it from line 1. Do not include this amount in any calculations in Part I since it is already included in line 1.

Line 2 - Indirect public support - Enter amounts received from federated fund raising agencies (such as a United Way or certain sectarian federations.). Also include amounts received from closely associated organizations.

Line 8 - Other revenue - Total all revenue from the IRS form not included on lines 1 through 7 and enter the sum on line 8. Use net, not gross, revenue figures.

Expenses

If you submit form 990-EZ with the application, first enter on lines 10a-e program services expenses from Part III of the 990-EZ. Then, all remaining expenses must be allocated to fund raising or management and general with the total amount to each listed on lines 13 and 14.

If you submit form 990-PF with the application, first enter charitable programs of your organization on lines 10a-e. If your organization's purpose is to make grants to other charitable organizations, indicate so. Line 10e of the Financial Summary should correspond with Part I, column d of the IRS return. Then, all remaining expenses must be allocated to fund raising or management and general with the total amount to each listed on lines 13 and 14.

Lines 10a-e - Program services - To accomplish its charitable purposes, a charitable organization establishes programs (not to be confused with fund raising programs). For example, a health and welfare organization with its focus on cancer may establish different programs to fund research, to educate the public about cancer, and to aid cancer patients. On lines a-c, list your 3 largest programs and the total costs associated with each. Combine your remaining programs on line d. If necessary, attach a schedule itemizing line d.

Line 13 - Management & general - These are costs that, while necessary, do not fulfill the purpose of the organization. Examples include annual filing fees with the state, legal and accounting fees, costs of directors meetings, centralized office functions, etc.

Line 14 - Fund raising - Enter the costs incurred in the preparation, publicizing or conducting of a fund raising event or campaign. Do not include any costs of direct benefits to participants in special events deducted on line 4b.

PART II - PROFESSIONAL FUND RAISERS

The use of all professional fund raisers must be reported on Part II. A consultant is considered to be a professional fund raiser. The Charitable Organizations and Solicitations Act defines a professional fund raiser as:

“a person who for compensation or other consideration plans, conducts, manages, or carries on a drive or campaign of soliciting contributions for or on behalf of a charitable organization, religious organization, or any other person; or who engages in the business of or holds himself out as independently engaged in the business of soliciting contributions for such purposes. A bona fide officer or employee of a charitable organization is not a professional fund raiser unless his salary or other compensation is computed on the basis of funds to be raised or actually raised.”

You are required to provide copies of all contracts with a professional fund raiser within 10 days of signing.

In addition to Schedules A and B, a Campaign Financial Statement must be filed within 90 days of the conclusion of any campaign conducted under a type B contract. (See the application for contract type definitions.) If the campaign lasts more than a year, a Campaign Financial Statement must be filed annually.

PART IV - GENERAL INFORMATION

Line 1. A resident agent must be named for the acceptance of process issued by any court. The application will not be processed without this information. Out-of-state organizations may contact the Charitable Trust Section for a list of corporations which may, for a fee, accept this responsibility.

Return the completed application to:

Department of Attorney General
Charitable Trust Section
PO Box 30214
Lansing MI 48909
(517)373-1152
www.michigan.gov/ag

SUBMISSION MUST INCLUDE

- **COMPLETE IRS 990** INCLUDING SCHEDULE A
- **LIST OF BOARD OF DIRECTORS**
- **AN AUDIT OR REVIEW** IF REQUIRED (SEE TOP OF PAGE 3)
- **ALL APPLICATIONS MUST HAVE THE ORIGINAL SIGNATURE**

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL

APPLICATION FOR LICENSE TO SOLICIT DONATIONS

FULL OFFICIAL NAME OF ORGANIZATION	ATTY GEN FILE # (CS/CT/T)			
	ORGANIZATION TELEPHONE NO.			
	FOR OFFICE USE ONLY			
ADDRESS OF ORGANIZATION	Entered	Lic	Def	Exp Date
LIST ALL OTHER NAMES UNDER WHICH YOU INTEND TO SOLICIT				

PART I FINANCIAL SUMMARY

for the period beginning _____ and ending _____.

THIS PART MUST BE COMPLETED

Use amounts from your IRS 990, 990-EZ, or 990-PF. Round to nearest dollar. Attach copy of IRS form.
First reference in parentheses is to corresponding line on 990; second is to 990-EZ.

REVENUE

1. Direct public support (1a; see instructions)	.	.	.	.	.	1.	_____	|.00
1a. Restricted grants from foundations included on line 1:	_____	|.00						
2. Indirect public support (1b; see instructions)	.	.	.	.	.	2.	_____	|.00
3. Government grants (1c; see instructions)	.	.	.	.	.	3.	_____	|.00
4a. Gross receipts from special events (9a; 6a)	.					4a.	_____	|.00
b. Less: direct expenses (9b; 6b)	.					4b.	_____	|.00
c. Net income from special events (9c; 6c)	.	.	.	.	.	4c.	_____	|.00
5. Total support - add lines 1, 2, 3, and 4c	.	.	.	.	.	5.	_____	|.00
6. Program service revenue (2; 2)	.	.	.	.	.	6.	_____	|.00
7. Membership dues & assessments (3; 3)	.	.	.	.	.	7.	_____	|.00
8. Other revenue (see instructions)	.	.	.	.	.	8.	_____	|.00
9. TOTAL REVENUE (12; 9)	.	.	.	.	.	9.	_____	|.00

EXPENSES

Program services (identify individually)

10a. _____ (PART IIIa; 28)	.	.	.	.	.	10a.	_____	|.00
b. _____ (PART IIIb; 29)	.	.	.	.	.	10b.	_____	|.00
c. _____ (PART IIIc; 30)	.	.	.	.	.	10c.	_____	|.00
d. _____ (PART III d & e; 31)	.	.	.	.	.	10d.	_____	|.00
e. Total program services (13; 32)	.	.	.	.	.	10e.	_____	|.00
11. Payments to affiliates (16; not applicable)	.	.	.	.	.	11.	_____	|.00
12. Total program activity - add lines 10e and 11	.	.	.	.	.	12.	_____	|.00
13. Management and general (14; see instructions)	.	.	.	.	.	13.	_____	|.00
14. Fund raising (15; see instructions)	.	.	.	.	.	14.	_____	|.00
15. TOTAL EXPENSES (17; 17)	.	.	.	.	.	15.	_____	|.00

16. Excess (deficit) of revenue over expenses (18; 18)	.	.	.	.	.	16.	_____	|.00
17. Fund balances or net worth at beginning of year (19; 19)	.	.	.	.	.	17.	_____	|.00
18. Other changes in fund balances (20; 20)	.	.	.	.	.	18.	_____	|.00
19. Fund balances or net worth at end of year (21; 21)	.	.	.	.	.	19.	_____	|.00

BALANCE SHEET SUMMARY as of end of year, _____ 20 _____

20. Total assets (59; column b; 25, column B)	.	.	.	.	.	20.	_____	|.00
21. Total liabilities (66, column B; 26, column B)	.	.	.	.	.	21.	_____	|.00
22. Fund balances or net worth (73, column B; 27, column B)	.	.	.	.	.	22.	_____	|.00

PART II(A)

PROFESSIONAL FUND RAISER

Yes No
____ ____

During the fiscal year reported in Part I, did the organization compensate a professional fund raiser as defined by Michigan law? (See instructions for definition).

If yes, complete Schedule A. Attach copies of all contracts, addendums, and Campaign Financial Statements (for type B contracts*) unless previously submitted. For type A contracts no longer in effect, enter date contract ended in End Date column at right. Use a separate line for each type B* campaign or event.

SCHEDULE A

Name, Address, & MIFR # of Professional Fund Raiser	Contract Type*	Period Covered or Date of Event	Sum of All Payments to Professional Fund Raiser	-----Type A----- End Date
- - - - -				
- - - - -				
- - - - -				
- - - - -				
- - - - -				
- - - - -				

If additional lines are needed, attach schedule using above format.

PART II(B)

Yes No
____ ____

Does the organization currently have a contract with a professional fund raiser as defined by Michigan law? (See instructions for definition).

If yes, complete Schedule B for each contract even if included on Schedule A above. For type B contracts*, complete a separate line for each campaign or event. Attach copies of all contracts and addendums not previously submitted.

SCHEDULE B

- - - - - Type B only - - - - -				
Name, Address, & MIFR # of Professional Fund Raiser	Contract Type*	Date of Contract	Campaign end/ Show Date	Location
- - - - -				
- - - - -				
- - - - -				
- - - - -				

*Contracts with a professional fund raiser (PFR) are to be categorized according to the type of fund raising services described by the contract. Contract types which begin with the letter A (type A contracts) involve arrangements where the PFR does not come into contact with solicited funds. In contract types which begin with B (type B contracts), the PFR has access to the solicited funds.

- A1 - Consultant

A2 - Solicits, does not handle funds

B3 - Special event

B4 - Sell coupon books
- B5 - Sell advertising space

B6 - Sell other items

B7 - Solicits, handles funds

B8 - Other

AUDIT OR REVIEW REQUIREMENT

a.	Total support (line 5)	.	.	.	.	.	.	.00
b.	Restricted grants from foundations (line 1a-attach schedule)	.	.	.	.	.	.00	
c.	Government grants (line 3)	.	.	.	.	.	.00	
d.	Add lines b & c	.	.	.	.	.	.	.00
e.	Subtract line d from line a	.	.	.	.	.	.	.00

GENERAL INFORMATION

- ## CERTIFICATION

REV 6/01